UNITED STATES DISTRICT COURT DISTRICT OF SOUTH CAROLINA, CHARLESTON DIVISION

CASE NUMBER 2:06-CV-1754

FIREMAN'S FUND INSRUANCE COMPANY, as SUBROGEE for LIMEHOUSE & SONS, INC., Plaintiffs,

ν.

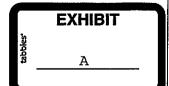
AMERICAN EQUIPMENT CORPORATION, INC., ET AL., Defendants.

DEPOSITION OF
DAVID McCANDLESS

COPY

At Raleigh, North Carolina Tuesday, April 14, 2009 10:02 a.m.

Reported by: Lindsey D. Cline, CVR





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- A. Sure. The Charles Smith versus Textron, that was involving a lawnmower, but it was a fire involving that. The Brown Logging versus Barko Hydraulics, that was a log skidder fire. The Dunnagan versus HDR Engineering and Mulkey, that's a vehicle accident that had a fire associated with it, also. I believe that's it.
- Q. Okay. And which of these involved cranes, whether it be crane engines, crane maintenance?
- 11 A. I don't think there's any on here that involve cranes.
- Q. Are you familiar with the term "Failure Modes and Effects Analysis"?
- 15 | A. Yes.
- 16 | Q. Okay. Can you explain to me what it is?
- 17 A. It's a process where you look at potential failure
 18 modes and the possibilities of results that would
 19 occur from those failure modes.
 - Q. Is it an analysis that you use in your practice?
 - A. I do, not as an explicit create a flowchart, but certainly when I'm looking at a product failure or a potential failure, sure, what I'm looking at is what is possible -- what is a possible scenario

1 given a certain failure. 2 Q. Is it a process -- I'm sorry. 3 Α. So, I mean, I do it as a thought process. I don't 4 typically do it as create a flowchart as a rigorous -- typically, when you look at FMEA, 5 6 that's what -- how they will outline it, is you 7 create a flowchart saying if you have failure A and failure B and failure C and then you create 8 all the possibilities from that. 9 Uh-huh. 10 Q. I will tend to do that mentally but I may not 11 Α. 12 write it out on paper. 13 When you say they do that, is this a fairly common Q. or standard method of assessing failures? 14 It's a set of terminology that's used in 15 Α. 16 the industry quite a bit. 17 In the industry, you mean what industry? Q. 18 Any industry that makes a product that can fail. Α. 19 Okay. Okay. And is it a relatively reliable Q. 20 means of assessing a failure? 21 MR. HORTON: Object to the form. 22 If you properly do it and THE WITNESS: 23 properly assess all the potential failure modes. 24 sure.

STATE OF NORTH CAROLINA
COUNTY OF WAKE

CERTIFICATE

I, Lindsey D'Anne Cline, Court Reporter and Notary Public, the officer before whom the foregoing proceeding was conducted, do hereby certify that the witness(es) whose testimony appears in the foregoing proceeding were duly sworn by me; that the testimony of said witness(es) were taken by me to the best of my ability and thereafter transcribed under my supervision; and that the foregoing pages, inclusive, constitute a true and accurate transcription of the testimony of the witness(s).

I do further certify that I am neither counsel for, related to, nor employed by any of the parties to this action in which this proceeding was conducted, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereof, nor financially or otherwise interested in the outcome of the action.

This the <u>l6th</u> day of <u>April</u>, <u>2009</u>

Lindsey D'Anné Cline

Notary Public No. 20002130221